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Your Kid's Teacher: the Bank

Financial Firms Offer Schools Their Money-Education Tools; Visa's Financial Football Game

 By **DIYA GULLAPALLI**
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Public-school students are getting a crash course in personal finance -- and major corporations are lining up to be their teacher.

Last year, state legislators introduced more than 75 bills and resolutions on personal-finance training in public schools, up from 30 or so the year before, and more are on the way: In March, Texas started screening personal-finance programs developed by different companies, including **Wells Fargo & Co.**, **Citigroup Inc.** and Visa USA Inc. Educators in South Carolina, Missouri and Virginia are preparing to decide what they want to start using as soon as this fall.

This year in South Dakota, for the first time, personal finance will become a graduation requirement. The courses can be surprisingly broad: Georgia's proposed curriculum for the 2007 school year includes using credit cards, picking health insurance, and calculating taxes.

Financial-services companies are racing to develop tools and curriculums to offer free to schools, in return for carrying their corporate logos.

A computer game called Financial Football, created by Visa with support from the NFL and its players, involves answering financial questions like "What is bankruptcy?" (Answer: "A last resort when you're in debt") as fast as possible to "gain yards" and "score touchdowns" in a football simulation.

A Citigroup online savings tutorial for teenagers is taught by an elderly-looking cartoon owl in a cap and gown, and can be accessed from a Citigroup Web site.

Citigroup in October also co-sponsored a financial-literacy summit for top education officials and others in Virginia along with **Capital One Financial Corp.**

There appears to be a need to teach kids some of these skills. People under age 25 are one of the fastest-growing groups of bankruptcy filers, and individuals between the ages of 18 and 24 have seen their credit-card debt increase more than 100% in the past decade, according to recent research.

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All of this is fueling a debate over the appropriateness of using educational material developed by banks, financial advisers and credit-card issuers, since they have a vested interest in getting their marketing message in front of future customers. "Teachers become suspicious when materials have a logo," says Robert Duvall of the National Council on Economic Education, a New York nonprofit, nonpartisan group for improving economic literacy.

Troy Krogman, a high-school economics teacher in Spearfish, S.D., didn't pass out any branded handouts when a Wells Fargo banker guest lectured last year about bad check-writing among college freshman, because he was concerned the company was trying "to involve itself in the lives of kids before they get banking assistance."

Companies like Citigroup and **Merrill Lynch** & Co. say they are sensitive about issues like these, but hesitate to remove their names from materials they invested time and money developing.

"These kids we're helping, in 20 years will they become Merrill customers?" says Eddy Bayardelle, head of global philanthropy at Merrill. "I wouldn't bet my salary on that."

Money Smarts

A list of resources for parents to teach children about financial issues.

Books

Don't Spend Your Raise and 59 Other Money Rules You Can't Afford to Break

- By Dara Duguay

A book of dos and don'ts for young adults. Chapters include "Don't Cure Boredom by Going to the Mall" and "Don't Fly First Class Just for the Free Drinks."

Stock Market Pie: Grandma Helps Emily Make A Million - By J.M. Seymour

A stock-market primer for older elementary-school children. Investing lessons are woven in as Grandma bakes a pie.

"The Little Book that Beats the Market"

- By Joel Greenblatt

Basic stock advice on finding bargain picks framed as a "magic formula" to appeal to children.

Web sites

Themint.org

The Northwestern Mutual Foundation's financial education site for parents and teachers to help kids decide how to budget basic expenses like clothes, CDs, movies and pizza.

Teenanalyst.com

A student-run site that boils down advanced concepts like convertible bonds and index mutual funds for the young investor.

MoneyInstructor.com

Thorough site that walks through basics like money-market accounts and check-writing.

Sources:

Working in Support of Education; WSJ research

Wells Fargo says it doesn't let its employees leave behind branded brochures at schools and doesn't link its "Hands-On Banking" Web site for kids to the main corporate site. Visa also doesn't have links to its corporate site. Merrill Lynch says it trains employees about issues like these before sending them out to teach.

How personal finance is taught in schools varies widely nationwide, depending not only on state laws but how boards of education apply them locally. The subject can be taught as a stand-alone class or a unit within

another class like economics or math. In some places it's just a general theme that must be addressed in some manner sometime before high-school graduation.

To sort out the confusion, the federal government is stepping up its involvement in developing personal finance curriculums. The 2003 Fair and Accurate Credit Transactions, or FACT, Act, established a Financial Literacy and Education Commission to coordinate financial education efforts at more than 20 federal agencies and help sift through teaching materials. Its 160-page National Strategy for Financial Literacy, originally planned for last June, was released this week, and includes case studies on personal-finance training for West Virginia and Wisconsin educators. Last year Congress also formed a bipartisan Financial and Economic Literacy Caucus, passing a bill to make April financial literacy month, among other educational efforts.

The freebie curriculums can be a blessing to cash-strapped schools. Traditional textbook publishers like Prentice Hall and Southwestern Publishing sell their own materials on the topic, but the 600-page plus textbooks can be expensive.

Corporate-developed alternatives can vary widely in approach. One Wells Fargo high-school curriculum offers relatively tricky math questions about capital gains, stock dividends and mortgages designed to get kids thinking about the consequences of their money decisions. One example: "Suppose you purchased goods totaling \$5,000 on your credit card. At 18% annual interest (1.5% monthly), paying \$135 a month, it would take you 55 months to pay off the \$5,000. Defend your decision to do this."

Another high-school curriculum from Merrill Lynch asks more basic questions like "What is investing?" (Answer: investing is "something you can do with your money that will hopefully earn you more money.")

Feedback was mixed after Citigroup trained about 70 teachers in the Queens borough of New York City on their curriculums in the fall of 2004. Besides more positive comments, teachers wrote in their feedback forms that younger students were "intimidated" by big words and a compound interest table, and that lessons were "confusing at best, boring at worst." Citigroup spokeswoman Elizabeth Fogarty says the company is using the observations from Queens to fine-tune its lessons.

"There's too much diversity" in the corporate materials, and "a lot of it is not that useful," says Dan Iannicola, deputy assistant secretary for financial education at the U.S. Treasury Department.

Companies and educators are starting to develop some solutions. The Idaho Financial Literacy Coalition asks corporate speakers to sign a so-called nonmarketing agreement, stating they will maintain a "nonselling approach" and "will not solicit clients" during presentations.

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